

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570071	3. DUNS Number 807871632
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4. Recipient Organization

Zayo Bandwidth, LLC 901 Front Street Suite 200, Louisville, CO 80027-1839

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official David Lundy	7c. Telephone (area code, number and extension) 3039477052
	7d. Email Address dlundy@zayo.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-18-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
Zayo had our ground breaking ceremony this quarter in Anoka County. This event was well attended by Zayo, representatives of the Anoka County Government and BTOP. There was a strong showing of community support for the project as well. Zayo had our government program site visit scheduled for the three days following this event. Zayo felt that this was a very productive visit with positive and constructive feedback on both sides. Zayo also sent representatives to the BTOP meeting held in Cleveland this quarter to share best practices and learn from other BTOP awardees about challenges faced and how to best overcome these. Zayo was also able to issue our first RFP for construction of our first 5 segments (~70 miles) of construction.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	17	This is 4.1% ahead of our baseline. This is based on our ability to get our engineers in the field quicker than expected after receiving our environmental assessment finding of no significant impact.
2b.	Environmental Assessment	100	This is 5% ahead of our baseline. This is based on a quicker response from the agencies than expected. We expected that we may have had issues getting approval from some agencies that would have taken longer.
2c.	Network Design	60	This is 40% ahead of schedule based on receipt of or environmental assessment finding of no significant impact.
2d.	Rights of Way	0	This is on target. This corrects an error on our last report.
2e.	Construction Permits and Other Approvals	1	This is 1% ahead of our baseline. This also corrects an error on our last report.
2f.	Site Preparation	9	This is on target.
2g.	Equipment Procurement	72	This is 63% ahead of schedule based on early request for proposal process and award selection and award.
2h.	Network Build (all components - owned, leased, IRU, etc)	5	This is 4% behind schedule. This is because of issues with pole providers as discussed below in 3. Zayo is looking at a work around to void excessive pole change out cost.
2i.	Equipment Deployment	0	This is 9% behind our baseline. This is because of network build issues sited above in 2h.
2j.	Network Testing	0	This is 5% behind our baseline. This is because of the network build issues sited above in 2h.
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Zayo has run into issues with some of our pole providers. Because of these issues, Zayo is working on amending our Environmental Assessment (EA) to allow us to dip underground in certain areas to avoid excessive costs associated with pole change out.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	Zayo is 26 miles behind based on our baseline because of permitting issues and our efforts to avoid excessive pole change out costs. Zayo will be back on track by the end of next quarter.
New network miles leased	0	None
Existing network miles upgraded	0	None
Existing network miles leased	0	None
Number of miles of new fiber (aerial or underground)	0	Zayo is 26 miles behind based on our baseline because of permitting issues and our efforts to avoid excessive pole change out costs. Zayo will be back on track by the end of next quarter.
Number of new wireless links	0	None
Number of new towers	0	None
Number of new and/or upgraded interconnection points	0	This is 5 off of our baseline and this is because of the construction delays discussed in section 3 of this report.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
None

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).
N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	This is in line with our baseline.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	This is 5 off of our baseline because of the construction delays discussed in section 3.
	Providers with signed agreements receiving access to dark fiber	0	This is in line with our baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance
Residential / Households	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
Businesses	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance

7. Please describe any special offerings you may provide (600 words or less).

N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
None	None	None	None	None

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Zayo should have ~50 miles of network built.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	27	This is 1.7% ahead of baseline.
2b.	Environmental Assessment	100	This is on target with our baseline.
2c.	Network Design	90	This is 30% ahead of our baseline based on an early start.
2d.	Rights of Way	0	This is on target with our baseline.
2e.	Construction Permits and Other Approvals	90	This is 30% ahead of our baseline.
2f.	Site Preparation	23	This is on target with our baseline.
2g.	Equipment Procurement	81	This is 58% ahead of our baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	15	This is 8% behind schedule because of our permitting pole attachment issues discussed in section 3 of this report.
2i.	Equipment Deployment	15	This is 8% behind schedule because of our permitting pole attachment issues discussed in section 3 of this report.
2j.	Network Testing	0	This is 20 percent behind our baseline because of our build issues.
2k.	Other (please specify):	0	This is on target with our baseline.

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).
Zayo has run into issues with some of our pole providers. Because of these issues, Zayo is working on amending our Environmental Assessment (EA) to allow us to dip underground in certain areas to avoid excessive costs associated with pole change out.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$172,263	\$51,679	\$120,584	\$172,263	\$51,679	\$120,584	\$172,263	\$51,679	\$120,584
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$603,779	\$181,134	\$422,645	\$0	\$0	\$0	\$110,000	\$33,000	\$77,000
e. Other architectural and engineering fees	\$422,675	\$126,803	\$295,872	\$425,931	\$127,779	\$298,152	\$425,931	\$127,779	\$298,152
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$15,271,893	\$4,581,568	\$10,690,325	\$826,081	\$247,824	\$578,257	\$2,360,081	\$708,024	\$1,652,057
j. Equipment	\$2,647,380	\$794,214	\$1,853,166	\$1,897,727	\$569,318	\$1,328,409	\$2,157,727	\$647,318	\$1,510,409
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$19,117,990	\$5,735,398	\$13,382,592	\$3,322,002	\$996,600	\$2,325,402	\$5,226,002	\$1,567,800	\$3,658,202
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$19,117,990	\$5,735,398	\$13,382,592	\$3,322,002	\$996,600	\$2,325,402	\$5,226,002	\$1,567,800	\$3,658,202

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$0	b. Program Income to Date: \$0
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